

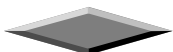


***Program Compliance Office  
Cal Grant Review Report***

***2000-01 Award Year***

**The Art Institute of Los Angeles  
Program Review ID#80200747001**

**2900 31<sup>st</sup> Street  
Santa Monica, CA 90405**



**Program Review Dates:** April 22 – April 26, 2002

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## AUDITOR'S REPORT

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### SUMMARY

We reviewed The Art Institute of Los Angeles' administration of California Student Aid Commission (Commission) programs for the 2000-01 award year.

The institution's records disclosed the following deficiencies:

- Non-Compliance with the Commission's Information Security and Confidentiality Agreement
- New Cal Grant B Recipient Not An Entering Freshman
- Tuition Charges Less Than Cal Grant Award
- Cal Grant Funds Overawarded Due to Insufficient Need
- Unmet Need Calculated Incorrectly
- Reconciliation Discrepancies 2000-01 Award Year

### BACKGROUND

Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grant A, and B

The following information, obtained from the institution and Commission database, is provided as background on the institution:

#### A. Institution

- Type of Organization: Proprietary Institution
- President: Dr. Greg Strick
- Accrediting Body: Accrediting Council for Independent Colleges and Schools (ACICS)
- Size of Student Body: 1,450

#### B. Institutional Persons Contacted

- Brian K. Cronkright: Director, Student Financial Services
- Enan El-Hout: Director, Administration and Financial Services
- Mohamed Ammar: Director, Accounting

#### C. Financial Aid

- Date of Prior Commission Program Review: None
- Branches: None
- Financial Aid Programs: Federal: Family Education Loan Program; Workstudy; Pell; SEOG; and Perkins.  
State: Cal Grant A and B
- Financial Aid Consultant: None

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## AUDITOR'S REPORT (continued)

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### OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility and Program Funds

The specific objectives of the review was to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in conducting this review included:

- Evaluation of the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluation of the current payment procedures through interviews and reviews of student records, forms and procedures.
- Reviewing the records and grant payment transactions from a sample of 40 Cal Grant students who received a total of 33 Cal Grant A and 7 Cal Grant B awards within the review period. The program review sample was randomly selected from the total population of 119 recipients.

This review was conducted in accordance with **Government Auditing Standards** issued by the Comptroller General of the United States. However, the procedures did not constitute a review of the institution's financial statements.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

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## AUDITOR'S REPORT (continued)

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**OBJECTIVES,  
SCOPE AND  
METHODOLOGY  
(continued)**

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and grant type.

**CONCLUSION**

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

**VIEWS OF  
RESPONSIBLE  
OFFICIALS**

The review was discussed with agency representatives in an exit conference held on April 26, 2002.

April 26, 2002

Charles Wood, Manager  
Program Compliance Office

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## FINDINGS AND REQUIRED ACTIONS

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### A. GENERAL ELIGIBILITY

#### **FINDING: Non-Compliance With The Commission's Information Security and Confidentiality Agreement**

The Art Institute of Los Angeles was not in compliance with provisions of the Commission's Information Security and Confidentiality Agreement.

#### **DISCUSSION:**

The Grant Delivery System (GDS) Web Grants Information Security and Confidentiality Agreement states, "the institution will notify the Commission in writing within five (5) working days to cancel the password and ID of any employee who ceases employment or whose duties change in any way which would alter his/her authorized need for access to GDS".

During our review of institutional records, it was discovered that the institution had not notified the Commission in writing to cancel the passwords and IDs of two employees who had ceased working for the institution. In addition, one of these two employees was the previous Information Security Officer and Financial Aid Director. As of the last day of fieldwork, the institution has not submitted an Information Security and Confidentiality Agreement appointing an Information Security Officer.

#### **REFERENCES:**

Commission Special Alert GSA 2000-01, 1/19/00  
Grant Delivery System (GDS) Web Grants Information Security and Confidential Agreement

#### **REQUIRED ACTION:**

No liability resulted from the above finding. However, the institution must contact the Commission's Help Desk (916) 526-8989 to cancel the password and ID of the two employees who ceased employment. Furthermore, the institution must submit an Information Security and Confidentiality Agreement designating an Information Security Officer. The institution must provide the administrative procedures and controls as outlined in the Information Security and Confidentiality Agreement, which will be implemented to ensure compliance with this agreement.

#### **INSTITUTION RESPONSE:**

We have implemented the use of a New Employee Checklist and Exiting Employee Checklist and one of the line items on these sheets will ensure that all new employees are set up on CSAC/Web Grants and all exiting employees have access cancelled on or within five working days when the employee ceases employment. Please see attached copies of both the New Employee Checklist and the Exiting Employee Checklist.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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The Institution submitted an Information Security and Confidentiality Agreement designating myself, Brian Cronkright as the Information Security Officer. Passwords and ID's were cancelled for both employees who had ceased employment with the Institute.

### AUDITOR REPLY:

The institution's action is deemed acceptable and no further action is required.

### B. APPLICANT ELIGIBILITY

#### **FINDING: New Cal Grant B Recipient Not An Entering Freshman**

A review of 7 Cal Grant B student files disclosed one case where Cal Grant funds were awarded to a new Cal Grant B recipient who did not meet the definition of entering freshman.

#### **DISCUSSION:**

New Cal Grant B awards are made to entering freshmen or community college transfers who have not completed more than one semester or two quarters of college, 16 part-time units, or four and one-half months of vocational/technical school by June 30<sup>th</sup> of the award year. For the 2000-01 award year, the deadline would be June 30, 2000. All college classes, including remedial and English as a Second Language (ESL) classes, must be counted in determining if a student meets the definition of entering freshman for Cal Grant B eligibility.

Students who were awarded a Cal Grant B as a freshman that appear on school Grant rosters but do not meet the definition of entering freshman are not eligible for the program and may not receive payment. The Commission's Grant Policy Bulletin (GPB) 98-02, issued June 18, 1998, instructed institutions to verify that new freshmen Cal Grant B recipients meet the definition of entering freshman before disbursing any Cal Grant payments. The policy bulletin also stated that the Commission's compliance review process would include verification of new Cal Grant B recipients. Schools are liable for payments made to students who do not meet the entering freshman definition at the time of payment.

According to academic transcripts, student No. 31 completed four full-time quarters (fall 1999, winter 2000, spring 2000 and summer 2000) by June 30, 2000. The student's account ledger shows that the student received Cal Grant payments in the amount of \$1,548 (\$516 fall 2000, \$516 winter 2001 and \$516 spring 2001). Consequently, the student was not eligible for the new Cal Grant B award. The ineligible amount of \$1,548 must be returned to the Commission. Additionally, the Commission will withdraw the student from the program.

#### **REFERENCES:**

Institutional Agreement, Article II.A and III.A.6  
Cal Grant Manual, Chapter 2, page 2-6  
Commission's Grant Policy Bulletin (GPB) 98-02, issued June 18, 1998

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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**REQUIRED ACTION**

The institution is required to repay the ineligible amount of **\$1,548** for student No. 31. Please submit payment as directed in the general repayment instructions located at the conclusion of this report.

**INSTITUTION RESPONSE:**

The funds will be returned to the Commission as a payment as directed in the general repayment instructions of the Cal Grant Review Report.

This will not happen in the future since New Cal Grant B is no longer restricted to entering Freshman.

**AUDITOR REPLY:**

The funds were returned on check #925003257 dated 12/27/02. The institution's action is deemed acceptable and no further action is required.

**C. FUND  
DISBURSE-  
MENT AND  
REFUNDS****FINDING 1: Tuition Charges Less Than Cal Grant Award**

A review of 40 student files disclosed 11 cases where the Cal Grant tuition awards exceeded the actual tuition and fees charged.

**DISCUSSION**

The California Education Code indicates that Cal Grant tuition and fee awards shall be used only for tuition and student fees. Based on a recipient's financial need, the Commission makes tuition and fee payments up to a maximum annual award not to exceed the school's actual tuition and fee charges. The award cannot be disbursed directly to students if the tuition charges are specifically covered by other types of aid or the grant award exceeds the actual charges.

According to the student files, the auditors noted 11 instances where students were overpaid:

STUDENT NO.	TERM	TUITION & FEES CHARGED	CSAC PAID	INELIGIBLE AMOUNT
6	Summer 01	\$2,412	\$2,427	\$ 15
7	Fall 00	\$3,108	\$3,236	\$ 128
9	Winter 01	\$3,216	\$3,236	\$ 20
	Summer 01	\$2,412	\$2,427	\$ 15
10	Fall 00	\$2,580	\$3,236	\$ 656



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**FINDINGS AND REQUIRED ACTIONS (continued)**

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STUDENT NO.	TERM	TUITION & FEES CHARGED	CSAC PAID	INELIGIBLE AMOUNT
15	Fall 00	\$3,108	\$3,236	\$ 128
	Winter 01	\$3,108	\$3,236	\$ 128
	Spring 01	\$3,108	\$3,236	\$ 128
21	Winter 01	\$3,108	\$3,236	\$ 128
23	Fall 00	\$3,108	\$3,236	\$ 128
	Winter 01	\$3,108	\$3,236	\$ 128
30	Fall 01	\$3,108	\$3,236	\$ 128
	Winter 01	\$3,108	\$3,236	\$ 128
	Spring 01	\$ 883	\$2,142	\$1,259
36	Winter 01	\$ 972	\$2,257	\$1,285
38	Spring 01	\$3,216	\$3,236	\$ 20
39	Fall 01	\$3,108	\$3,236	\$ 128
	Winter 01	\$ 565	\$1,618	\$1,053
<b>TOTAL INELIGIBLE DUE TO THE COMMISSION</b>				<b>\$5,603</b>

**REFERENCES:**

California Education Code 69532(a)  
Institutional Agreement, Article II.A and III.B.5  
Cal Grant Manual, Chapter 5, pages 5-11 and 5-20

**REQUIRED ACTION:**

The institution is required to repay the ineligible amount of **\$5,603** for the aforementioned students identified in the table above. Please submit payment as directed in the general repayment instructions located at the conclusion of this report.

Additionally, the institution is required to perform a portfolio review of all Cal Grant funds disbursed for the 2000-2001 award year to ensure that the institution paid students accordingly. The portfolio review must include all Cal Grant payments for each recipient and presented in spreadsheet format with the following column identifiers:

- Recipient's Name
- Social Security Number
- Award Year
- Program Type (i.e. Cal Grant A or B)

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## FINDINGS AND REQUIRED ACTIONS (continued)

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- Term and Year (i.e. fall 2000, winter 2001, Spring 2001 or summer 2001)
- Date of Cal Grant Funds Disbursed
- Actual Tuition Charged Each Term
- Amount of Cal Grant Funds Disbursed
- Ineligible Amount

A statement attesting to the completeness and accuracy of the data submitted must be provided by the person(s) performing this review. Supporting documents are to be provided (i.e. student account ledgers). The necessity for requesting additional information will be determined after the response to this finding has been reviewed.

Lastly, the institution is required to submit policies and procedures that will be implemented to ensure that tuition Cal Grant awards do not exceed actual tuition charges.

### INSTITUTION RESPONSE:

According to the student files, the auditors noted 11 instances where the students were overpaid; the portfolio review noted an additional 22 instances where students were overpaid resulting in an additional liability to the Institution of \$3,269.00. Please refer to the attached spreadsheet titled Cal Grant Funds Disbursed 2000-2001 Award Year.

When the Institute updates the Cal Grant roster either manually or via Web Grants the Financial Aid Administrator will verify the amount charged for tuition and subtract the awarded Cal Grant to ensure that we do not over award students. It was assumed previously that if a student was full-time that they were entitled to the full-time award; based on the tuition cost at the time this could have caused an over award if the student was only enrolled in twelve units. Consequently, the tuition has increased and this should not happen again, but to ensure that we do not have another over award, we will verify the tuition costs versus the Cal Grant Award.

### AUDITOR REPLY:

The funds were returned on check #925003257 dated 12/27/02. The institution's action is deemed acceptable and no further action is required.

#### C. FUND DISBURSE- MENT AND REFUNDS

#### FINDING 2: Cal Grant Funds Overawarded Due to Insufficient Need

A review of 40 student files disclosed 1 case in which the institution overawarded Cal Grant funds.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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### DISCUSSION

Institutions are responsible for ensuring that Cal Grant funds are not overawarded and that students receive only the amount they are eligible to receive. The sum of the Cal Grant award and all other types of aid (e.g., federal, state, institution, and any other aid) may not exceed the student's cost of attendance (COA) less the calculated expected family contribution (EFC).

A review of the file of student No. 12 revealed that the student received Cal Grant funds in excess of their Cal Grant need for the 2000-01 award year as illustrated below:

9-Month Need		
COA		\$ 7,196
EFC		0
Total Need		7,196
EFA		
Pell	\$1,250	
SEOG	200	
School-AIIN Merit New	200	
Subsidized	875	
Unsubsidized	1,333	
Total EFA		3,858
Final Cal Grant Need		\$ 3,338
Cal Grant Award Amount		\$ 3,752
Overaward		\$ 414

### REFERENCES:

Institutional Agreement, III.B.5  
Cal Grant Manual, Chapter 5, Page 5-22 and 5-23  
Cal Grant Manual, Chapter 9, Page 9-6 and 9-7

### REQUIRED ACTION:

The institution is instructed to remit the ineligible amount of **\$414** on behalf of student No. 12 as directed in the payment instructions located at the conclusion of this report

Additionally, the institution is required to submit policies and procedures that will be implemented to ensure that Cal Grant students are not overawarded.

### INSTITUTION RESPONSE:

The funds will be returned to the Commission as a payment as directed in the general repayment instructions of the Cal Grant Review Report.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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When the Institute verifies the payment the Financial Aid Administrator will be required to do two things to ensure that we are not over awarding due to insufficient need.

1. First, the Financial Aid Administrator will verify the Cal Grant Need through the Cal Grant Need Formula listed below.

Cost of Attendance  
- Expected Family Contribution  
- Pell Grant  
= Cal Grant Need

2. Secondly, the Financial Aid Administrator will then verify the unmet need via the CARS System that is used by the Institute. The FAA will go into the FA Entry screen of planning and verify the line that lists budget - EFC = Need - Aid = Unmet Need to verify that an over award due to insufficient need does not occur. Please see attached copy of a print out from the FAEntry screen of the Ai CARS System.

### AUDITOR REPLY:

The funds were returned on check # 925003257 dated 12/27/02. The institution's action is deemed acceptable and no further action is required.

#### E. RECORD RETENTION AND FILE MAINTENANCE

#### FINDING: Unmet Need Calculated Incorrectly

A review of 40 Cal Grant student files disclosed two instances in which unmet need was calculated incorrectly.

#### DISCUSSION:

Renewal recipients are students who have been initially awarded a Cal Grant in a previous year and have remained eligible in the program. In order to continue to receive a Cal Grant award, recipients must show evidence of financial need at the school they will attend. Schools must calculate a student's unmet need and report the figure to the Commission, retaining supporting documentation within the student's file.

A school may use the Commission's annually established student expense budget to confirm the unmet need of renewal recipients or adopt its own student budget for determining renewal eligibility, provided the budgets do not exceed those used for campus-administered aid. The school must report the resulting unmet need on the Grant Roster or the Commission G-21 form. The unmet need is defined as the student's cost of attendance (COA) minus the Expected Family Contribution (EFC), minus Pell.

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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A review of the files for the renewal students listed in the table below revealed that the institution erroneously calculated and reported the unmet need to the Commission.

Student No.	Reported Need
11	\$25,425
34	\$29,124

**REFERENCES:**

Cal Grant Manual, Chapter 4, pages 4-1 through 4-3  
Cal Grant Manual, Chapter 5, pages 5-2, 5-8, 5-15, and 5-16

**REQUIRED ACTION:**

Although no liability resulted from the above finding, the institution is required to submit policies and procedures that would be implemented to ensure that the correct unmet need for renewal Cal Grant recipients is correctly calculated and reported to the Commission.

**INSTITUTION RESPONSE:**

Again, the Institute will verify unmet need with the same policies and procedures that are listed for finding C.2 (above) that will be used to determine that an over award does not take place to insufficient need. By following these policies and procedures, this should ensure that we are not over awarding or reporting an incorrect unmet need to the Commission.

**AUDITOR REPLY:**

The institution's action is deemed acceptable and no further action is required.

**F FISCAL  
RESPONSIBILITY****FINDING:     Reconciliation Discrepancies 2000-01 Award Year**

Review of accounting and financial aid documentation revealed that Cal Grant funds were not reconciled for the 2000-01 award year.

**DISCUSSION:**

Cal Grant Participating institutions must reconcile their accounts with the funds received from the Commission for each academic year. The Commission strongly recommends that the schools reconcile Cal Grant payments on a monthly basis. Institutions must make all disbursements by September 30 following the end of the award year (for example, September 30, 2001, for award year 2000-01). At the latest, all payment transactions must be reported prior to the start of the month-end processing the following November. Furthermore, all participating institutions agree to use the funds advanced solely for payment to eligible

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## FINDINGS AND REQUIRED ACTIONS (continued)

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recipients in the Cal Grant Program. Once the Commission advances Cal Grant funds, institutions must determine and verify student eligibility before disbursing funds.

Should the institution's records of individual payments to eligible students be less than what the Commission paid, the institution must return the difference to the Commission. The institution will bear the liability for payments not reported prior to the November month-end processing cycle.

The Commission advanced \$1,088,347 in Cal Grant funds during the award year 2000-01. The institution's bank deposit records reflect that \$1,088,347 was received and deposited in a non-interest bearing account. The institution's accounting records also acknowledge receipt of these monies. However, auditors noted that no reconciliation of Cal Grant funds was performed between the Financial Aid office and Accounting Office.

In attempt to reconcile between monies advanced and monies disbursed on a per student basis, the Director of Financial Aid provided a "California Student Aid Commission Grant Recipient Report Fall 2000 through Summer 01" Schedule showing amounts disbursed to each Cal Grant recipient. This Schedule was submitted in response to the engagement letter. According to this Schedule, a total of \$1,075,859.97 was disbursed during the award year 2000-01. A \$12,487.03 difference of funds was noted between the Commission's (\$1,088,347) advances and the institution's (\$1,075,859.97) disbursements.

In response to the \$12,487.03 discrepancy, the Financial Aid Director provided a "Cal Grant Audit Discrepancy Report" which addressed variances identified on a per student basis. This report explained further that the institution disbursed a total of \$1,086,187.97 instead of the \$1,075,859.97 previously mentioned. As of the last day of fieldwork, an additional report generated by the accounting system indicated that a total of \$1,079,432.90 was disbursed. As of July 25, 2002, a copy of this report was not provided.

In summary, the amount disbursed for each report is as follows:

\$1,075,859.97	Per Schedule provided by Financial Aid Office
\$1,086,187.97	Per Discrepancy Report
\$1,079,432.90	Per Report generated by Accounting System

None of the above reports reconcile to each other or to the \$1,088,347 as reported by the institution to the Commission.

The auditor used the Schedule provided by the Financial Aid Director to compare on a student-by-student basis the amount paid by the Commission and the amount paid by the institution. The comparison revealed discrepancies in the amount of Cal Grant funds disbursed.

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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The table below list the students that the institution paid less than what the Commission advanced in Cal Grant funds awarded during 2000-01 award year.

**2000-01 Comparison Between the Financial Aid's Schedule and Commission Records**

Student No.	CSAC Paid	Institution Paid	Funds To Be Return
43X	\$ 9,708	\$ 6,472.00	\$ 3,236.00
45X	\$ 3,752	\$ 0.00	\$ 3,752.00
46X	\$10,517	\$ 9,303.21	\$ 1,213.79
47X	\$ 4,010	\$ 3,914.00	\$ 96.00
48X	\$12,944	\$12,169.75	\$ 774.25
49X	\$ 3,415	\$ 3,414.54	\$ .46
50X	\$10,968	\$ 9,895.60	\$ 1,072.40
52X	\$14,624	\$ 12,590	\$ 2,034.00
54x	\$ 9,708	\$ 8,098	\$ 1,618.00
57X	\$ 52	\$ 51.80	\$ .20
58x	\$ 6,280	\$ 5,719.01	\$ 560.99
<b>TOTAL DUE TO COMMISSION</b>			<b>\$14,358.09</b>

Additionally, auditor discovered instances where students were paid more than what the Commission advanced in Cal Grant funds for a total of **\$12,199.06**. Unfortunately, the institution bears the liability for these payments and therefore, will not be reimbursed.

**Students Overpaid by the Institution But Not Reimbursed by the Commission**

Student No.	CSAC Paid	Institution Paid	Institution Overpaid
41X	\$ 5,300	\$ 5,301.00	\$ 1.00
42x	\$ 3,655	\$ 3,655.04	\$ .04
44x	\$14,112	\$15,008.00	\$ 896.00
51X	\$ 8,899	\$ 9,708.00	\$ 809.00
53x	\$ 5,300	\$15,008.00	\$9,708.00
55x	\$11,850	\$11,850.02	\$ .02
56X	\$11,775	\$12,560.00	\$ 785.00
<b>Total Institution Overpaid</b>			<b>\$12,199.06</b>

In conclusion, the comparison between the Schedule and the Commission records resulted in the following:

Amount Institution Disbursed	\$1,086,187.97
Less: Amount not reimbursed by CSAC	<u>\$ 12,199.06</u>
Equals: Reimbursable Amount	\$1,073,988.91
Amount Advanced by Commission	\$1,088,347.00
Less Reimbursable Amount	<u>\$1,073,988.91</u>
Equals: Funds to be returned to CSAC	<b>\$ 14,358.09</b>

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## FINDINGS AND REQUIRED ACTIONS (continued)

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### REFERENCES:

California Education Code, 69535.5  
Institutional Agreement, Article III.B. and III.C.  
Cal Grant Manual, Chapter 6,  
Cal Grant Manual, Chapter 9, page 9-11

### REQUIRED ACTION:

The institution is required to return the undisbursed funds of **\$14,358.09** identified for the 2000-01 award year as directed in the general payment instructions, which can be found at the conclusion of the draft report. In addition, the institution is instructed to provide written procedures and internal controls to ensure that the institution reconciles its records as required by the Institutional Agreement and the Cal Grant Manual. The procedures must include time frames, staff titles, and specific areas of responsibilities as it relates to the Cal Grant reconciliation process.

Since the disbursed amounts varied between the Schedule provided by the Director of Financial Aid, the Discrepancy report, and the report generated by the Accounting Office, a portfolio review of disbursements for the 2000-01 award year will be required.

The portfolio review must consist of a spreadsheet per award year listing all Cal Grant recipients. The data elements to be included in the spreadsheet are listed below. These elements can be column headers and must be sorted by student's last and first names. Disbursements on spreadsheet must be reviewed and reconciled between the Accounting and Financial Aid offices.

- Recipient's Name
- Social Security Number
- Award Year
- Program Type (i.e. Cal Grant A or B)
- Fall Term Payment by CSAC
- Fall Term Payment by Institution
- Fall Term Institution Overpaid
- Winter Term Payment by CSAC
- Winter Term Payment by Institution
- Winter Term Institution Overpaid
- Spring Term Payment by CSAC
- Spring Term Payment by Institution
- Spring Term Institution Overpaid
- Summer Term Payment by CSAC
- Summer Term Payment by Institution
- Summer Term Institution Overpaid



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## GENERAL PAYMENT INSTRUCTIONS

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- Total payments by CSAC
- Total payments by Institution
- Institution Overpaid

A statement attesting to the completeness and accuracy of the data submitted must be provided by the person(s) performing this review. The necessity for requesting additional information will be determined after the response to this finding has been reviewed.

### INSTITUTION RESPONSE:

The funds will be returned to the Commission as a payment as directed in the general repayment instructions of the Cal Grant Review Report.

The Portfolio review was completed as requested; please refer to the attached spreadsheet titled Cal Grant Reconciliation 2000 - 2001 Award Year.

I have found some discrepancies between the records of the Institute and the Commission's findings. Please see attached page titled Reconciliation Discrepancies.

Amount Institution Disbursed	\$1,083,083.97
Less: Amount not reimbursed by CSAC	<u>\$ 1,595.06</u>
Equals: Reimbursable Amount	\$1,081,488.91

Amount Advanced by Commission Less	\$1,088,347.00
Reimbursable Amount	<u>\$1,081,488.91</u>
Equals: Funds to be returned to CSAC	\$ 6,858.09

The Institute will comply with the recommendation of the Commission and reconcile quarterly with the Accounting Office, to ensure that all corrections and payments are made prior to the last day of the reporting cycle of month-end processing the following November of the award year.

### AUDITOR REPLY:

The funds were returned on check #925003257 dated 12/27/02. The institution's action is deemed acceptable and no further action is required.

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**ATTACHMENT A - STUDENT SAMPLE**

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